

(Supercedes CAM Chapter 13-1, dated July 1996)
Current through CAM Notice 04-01

**Department of Commerce
Purchase Card Procedures**

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Section 1 -- Purchase Card Program Overview

1.1 Program Introduction and Purpose

The purpose of this document is to provide guidance on the use of the Department of Commerce (DoC) purchase card. Based on the General Services Administration's (GSA) SmartPay Charge Card Program, DoC selected Citibank as its card issuer and VISA as the card brand to be used. The GSA SmartPay program has a vision of adopting 'smart card' technology so that, ultimately, every employee will be able to use one card for a wide range of purposes, including travel, fleet and purchasing. Under the DoC task order, DoC requires "the integration of purchase, travel and fleet card business line processes...leading to a one-card solution in the future." As of the effective date of this Chapter, the three business lines continue to operate as three distinct business lines. **The guidance provided herein is effective for the Purchase Card business line only.**

The goals of the DoC Purchase Card program are to: improve mission support, streamline the placement of micro-purchases and reduce administrative costs and paperwork, while ensuring adherence to federal acquisition regulations.

1.2 Policy

Purchase Cards must be used in accordance with the guidance contained in this document, the Federal Acquisition Regulations (FAR) and any other internal Departmental policies which impact the conducting of purchases or making of payments. DoC operating units and acquisition offices are authorized to develop additional operational policies and procedures to supplement Federal and Departmental policies and procedures related to the Purchase Card. Operating unit/office policies may be more, but not less, restrictive than the policies in this document. Operating units are encouraged to test innovative practices to further streamline their operations through use of the Purchase Card.

In accordance with Federal Acquisition Regulation (FAR) 13.201(b), the Government-wide commercial purchase card shall be the preferred method to purchase and to pay for micro-purchases (\$2,500 *or less*). Purchases and payments may also be made over this amount up to \$100,000 when authorized in accordance with the guidance contained in Section 2.1 regarding delegations and training and Section 3 regarding Use of the Card.

(Note: Cardholders located outside the United States should refer to supplemental guidelines entitled "Purchase Card Guidelines for Overseas Cardholders," maintained on the International Trade Administration internet site at <http://www.ita.doc.gov/ooms/overseas.htm>)

1.3 Definitions:

Agency Program Coordinator (APC) -- The APC is designated by the Head of the Contracting Office (HCO) and normally resides in the Acquisition office. The APC assists the HCO in providing administrative assistance and performing administrative tasks such as initiating new accounts, maintaining cardholder and Approving Official lists, and fielding questions on purchase card policies and procedures.

Approving Official -- An individual responsible for oversight and monitoring of designated cardholders' compliance with established regulations and procedures. Responsibilities include nominating cardholders, reviewing monthly statements, requesting increases in the single purchase limit and cycle limit, verifying availability of funds and ensuring the validity and allowability of transactions of cardholders for which he/she is responsible.

Cardholder -- A DoC employee authorized by the HCO to be issued a card to purchase goods and services and/or pay for official expenses in compliance with applicable regulations.

Cardholder Account -- An account established for an authorized employee against which official Government charges can be made. The cardholder account number appears on the purchase card issued to the cardholder.

Citibank -- The purchase card Contractor selected by DoC to issue cards to authorized cardholders. Citibank issues monthly statements to cardholders, reports to Approving Officials and consolidated invoices to finance offices.

Commerce Bankcard Center (CBC) -- Located in Kansas City, Missouri, the CBC provides primary support for the operation and administration of the DoC Purchase Card Program.

Convenience Check -- A Citibank-issued check that may be written on an approved cardholder purchase account within established purchase limits. Convenience checks may be used as a method of payment for transactions ONLY in instances in which the vendor will not accept the VISA purchase card. Convenience check transactions will be posted on cardholder statements of account.

Cycle Limit -- The spending limit imposed on a cardholder's cumulative purchases in a given cycle. Cycles typically run from the 22nd day of a month through the 21st day of the following month.

Declined Transaction -- Transaction on which authorization has been refused by the Citibank transaction authorization system.

Federal Acquisition Regulation (FAR) -- The primary federal regulation established to provide uniform policies and procedures for acquisition for all executive agencies.

Government Cardholder Dispute Form -- The form used to acknowledge a disagreement between the cardholder and a vendor or Citibank.

Head of Contracting Office (HCO) -- The official who has the overall responsibility for managing an acquisition/contracting office and purchase card program within an operating unit. The HCO must approve the issuance of individual purchase cards.

Micro-Purchase -- As defined in FAR 2.101, an acquisition of supplies or services (except construction), the aggregate amount of which does not exceed \$2,500. In the case of construction, the limit is \$2,000.

Non-procurement Cardholder -- A cardholder whose primary job function is outside the acquisition career field.

Procurement Cardholder -- A cardholder who is in the 1102, 1105 or 1106 job series.

Purchase Card (PC) -- Card issued to authorized cardholders to make and/or pay for official government purchases.

Single Purchase Limit (a.k.a. Dollars Per Transaction Limit) -- The dollar limit imposed on a cardholder's single purchase or payment transaction.

Simplified Acquisition -- An acquisition of supplies or services conducted according to the procedures of FAR Part 13. The Simplified Acquisition Threshold is currently \$100,000.

Statement of Account (SOA) -- Monthly statement received by the cardholder from Citibank showing purchases, payments and/or credits for a specific billing period. The statement of account must be reconciled by the cardholder, approved by the Approving Official and forwarded to the appropriate finance office in accordance with Section 3.6(D)(2).

1.4 Roles and Responsibilities

- A. Director, Acquisition Policy and Programs (APP)** is responsible for overseeing the management of the DoC Purchase Card Program.
- B. DoC Purchase Card Policy Manager**, located in APP, is responsible for developing and updating the program's policies, procedures and guidelines. The policy manager delegates authority *to* implement purchase card pilot programs; is the primary point of contact for clarification of policy issues; and has the authority to grant exceptions/deviations from the established policy.
- C. Heads of Contracting Offices (HCOs)** are responsible for management and day-to-day oversight of the purchase card program within their respective operating units. Responsibilities include designating an Agency Program Coordinator (APC) and other officials, as appropriate, to oversee the purchase card program, developing operating unit-specific procedures for card use, management, security, account reconciliation, scheduled documentation review, and initiating operating unit accounts with the purchase card contractor. HCOs may delegate administrative functions of their Purchase Card Program and add controls in any area to fulfill their responsibilities. Notable responsibilities include:
1. Designating a liaison (also known as Agency Program Coordinator (APC) to handle administrative tasks such as maintaining cardholder listings, fielding cardholder questions, resolving problems with cardholder accounts, implementing training requirements and otherwise provide support to the HCO in fulfilling the responsibilities outlined herein.
 2. Delegating Purchase Card authority and purchase limits in accordance with DoC Purchase Card policies and procedures.
 3. Authorizing cardholder Approving Officials.
 4. Ensuring that all cardholders and Approving Officials have completed required training.
 5. Reviewing the Purchase Card Program at least once a year to ensure that cardholders and Approving Officials use internal controls and follow proper procedures. Reviews will be conducted in accordance with the guidelines set forth in Section 4.
 6. Withdrawing delegations and appointments.
 7. Reporting any IG investigations/audits to the Director of APP, as well as providing a copy of any reports received to the Director of APP.
 8. Developing operating unit-specific procedures for card use.
- D. Agency/Organization Program Coordinators (A/OPCs)** have overall responsibility for the purchase card program, within their agency/organization after delegation from the HCO. As an APC for your agency/organization, you serve as the liaison between your agency/organization, the bank, the cardholder and the CBC. Your role is essential to efficiently and effectively manage the Purchase Charge Card program. Responsibilities include:
1. Maintaining an up-to-date list of account names, account numbers, addresses, e-mail addresses, telephone numbers, etc., of all current cardholders and accounts.
 2. Handling contract administration.
 3. Coordinating and implementing required training.
 4. Developing agency/organization program procedures and policies as necessary.
 5. Monitoring account activity and manage delinquencies.
 6. Monitoring fraud and abuse/misuse within their program. Reviewing the Purchase Card Program at least once a year to ensure that cardholders and approving officials use internal controls and follow proper procedures. Reviews may be conducted at one time following the fiscal year being reviewed, or conducted periodically throughout the year. Reviews will be conducted in accordance with the guidelines set forth in Section 4. This could include withdrawing purchase card delegations and appointments.
 7. Providing support to the HCO in fulfilling the responsibilities.
- E. Approving Officials** are responsible for oversight and monitoring of designated cardholders' compliance with

regulations and procedures. Each cardholder has an Approving Official who is expected to review cardholder transactions to ensure that purchase cards are being used only for their intended, official purposes and to ensure the validity and allowability of the transactions. Cardholders may not be their own Approving Officials, nor may subordinates be Approving Officials for their supervisors. However, HCOs are authorized to grant exceptions in special situations. Approving Official responsibilities include:

1. Nominating responsible, trustworthy DOC employees as cardholders.
 2. Requesting purchase limits for prospective cardholders as part of the nomination process.
 3. Ensuring that cardholders immediately report missing, lost and/or stolen purchase cards to Citibank.
 4. Maintaining accurate records regarding the DoC Purchase Card Program and updating account information as necessary.
 5. Reviewing cardholders' "Statements of Account."
 6. Reviewing the print-out of cardholders every six (6) months, or as often as necessary, to identify accounts requiring maintenance.
 7. Ensuring that accounts are properly closed and finalized, when cardholders leave DoC or accounts otherwise need to be closed.
 8. Reporting any Purchase Card misuse to the HCO.
 9. Ensuring that cardholders complete and reconcile Purchase Card Ordering Logs and Statements of Account before signing the statement of account; reviewing object class codes and accounting codes; forwarding cardholders' "Statements of Account" to the finance office no later than 15 days after receipt by the cardholders (or as otherwise indicated in operating unit guidance).
 10. Appointing an alternate Approving Official to act in their absence. When an alternate Approving Official signs off on a statement, a memo from the Approving Official should accompany the statement to show that the alternate has been authorized by the Approving Official. If the Approving Official is unavailable, the memorandum may be written by the Approving Official's supervisor. Alternate Approving Officials are subject to the same training requirements as the primary Approving Official. Exceptions may be granted by the HCO in exceptional circumstances, for a limited period of time as determined by the HCO.
 11. Keeping the originals of their "Unit Cycle Statistics - TBR0200" and "Detailed Account Cycle Report - TBR00401" in their files.
 12. Reminding cardholders that accountable property purchased with the purchase card must be reported in accordance with Section 3.6(E).
 13. Attending required training (see Section 2.1).
 14. Requesting increases in cardholder single and monthly purchase limits.
 15. Working with Administrative Officers and finance offices, as appropriate, to ensure that end-of-fiscal-year accruals are performed for purchase card purchases/payments.
- F. Cardholders** are responsible for using their purchase card only for official, authorized purposes, and for verifying all transactions posted to their account. Cardholders are required to adhere to the requirements of Federal, Departmental, and operating unit specific procurement rules and regulations and are expected to exercise good business judgement.
- G. Director, Commerce BankCard Center (CBC)**, is designated as the Contracting Officer's Technical Representative (COTR) for the task order against the GSA SmartPay contract with Citibank. Responsibilities include:
1. Corresponding with Citibank to ensure it is complying with the requirements of the DoC task order; serving as the Transaction Disputes Office as defined in the GSA Contract.
 2. Serving as the liaison between HCOs/APCs/finance offices and Citibank.
 3. Serving as administrator of the purchase card program, monitoring the program for deficiencies, identifying areas for improvements in the program throughout the Department.
 4. Managing the operations and overall administration of the CBC for the Department.
 5. Establishing and maintaining a training program for cardholders and Approving Officials, as well as maintaining records on completed training.
 6. Performing oversight functions, including review of SIC codes, and notifying the HCO/APC of questionable

- transactions identified. Report abuse of purchase card to HCO/APC and IG.
7. Regularly communicating and coordinating with HCOs/APCs and finance office representatives regarding resolution of issues or questions and proactively pursuing the goals of the program, including maximizing of rebates.
 8. Informing, as appropriate, the GSA Purchase Card Contracting Officer, the DoC task order Contracting Officer and the DoC Purchase Card Policy Manager of any technical or contractual difficulties occurring during contract performance.
 9. Informing, as appropriate, the DoC Purchase Card Policy Manager and HCOs of any Purchase Card administrative, operational, or policy problems that may affect the Department and its operating units.
 10. Following up on all documentation, data, and/or reports submitted as required by the GSA Purchase Card contract.
 11. Participating in changes, modifications, claims and follow-on contracts to the Purchase Card contract.
 12. Informing the Department HCOs and operation finance chiefs of problems with payment, invoice adjustments, disputes and late payment reports.
 13. Archiving DOC Purchase Card history files and data for a minimum of seven years.
 14. Providing updates to DOC's Freedom of Information Act (FOIA) internet site (<http://www.rdc.noaa.gov/~foia/cbcc.html>) which lists cardholder names, addresses and telephone numbers.
 15. Maintaining the DOC BankCard Center internet site (<http://www.rdc.noaa.gov/~casc/bankcard/bankcard.html>) with updated information, latest forms, and directions for use of the card.
 16. Supporting IG investigations by providing archived information and specialized reporting.
 17. Preparing an annual "State of the Purchase Card Program" report, in accordance with Section 4.

In addition, the CBC Director has the authority for the following emergency situations:

18. Authorizing temporary emergency increases to 30-day limit, not to exceed \$1,000.
19. Closing accounts when fraud and/or abuse is apparent.

H. The Commerce BankCard Center is responsible for:

1. Providing support for the operation and administration of the DoC Purchase Card Program.
1. Processing Purchase Card applications, maintenance, suspensions and cancellations, and responding to administrative questions.
3. Making temporary changes to purchase and cycle limits, as requested.
4. Distributing training program materials, information and forms to cardholders, Approving Officials, and HCOs/APCs.
5. Processing and monitoring Government Cardholder Dispute Forms and providing support throughout the disputes process. NOTE: Send all disputes to CBC.
6. Providing special, and monthly management reports.
7. Operating a "Hotline" to support cardholders.
8. Notifying APCs and/or HCOs when cardholder or Approving Official accounts have been established.
9. Electronically notifying cardholders and Approving Officials of their delegation of authority, directing them to CBC website for forms, program information and this section of the Commerce Acquisition Manual.
10. Acting as liaison for CitiDirect processing.
11. Maintaining DoC SmartPay master files.

Section 2 -- Obtaining and Maintaining a Purchase Card

2.1 – Obtaining a Purchase Card

A. Training Requirements

1. Cardholders and Approving Officials

All nominees for purchase card authority as well as all Approving Officials must complete the GSA Purchase

Card web-based training prior to issuance of the purchase card or establishment as an Approving Official. The training course is located at <http://www.fss.gsa.gov/webtraining/trainingdocs/smartpaytraining/index.cfm>. The course contains an on-line quiz and a certificate of completion. The certificate is automatically generated upon successful completion of the on-line quiz. A copy of the certificate of completion must be provided to the servicing HCO as part of the nomination package, as specified in CAM 1313.301, Section 2.1, Paragraph B.1.

In addition, all Purchase Cardholders and Approving Officials are responsible for reading and understanding the DOC Purchase Card Procedures outlined in CAM 1313.301. These procedures provide DOC specific requirements and limitations. Operating Units may also require additional training, see bureau specific policy and guidelines, or contact your servicing HCO for additional information.

2. Cardholders with Single Purchase Limits over \$2,500 and their Approving Officials

In addition to the successful completion of the GSA web-based Purchase Card training identified in CAM 1313.301, Section 2.1, Paragraph A.1, and any bureau specific training, cardholders with single purchase limits above \$2,500 must also complete a 40-hour Simplified Acquisition training course. The course must be completed prior to nomination for purchase authority above \$2,500 and proof of course completion must be provided to the servicing HCO with the nomination memorandum. Approving Officials for Cardholders with single purchase limits above \$2,500 must also complete the GSA web-based training, any bureau specific training and a 40-hour Simplified Acquisition training course. Proof of the Approving Official's completion of the required training must also be provided to the servicing HCO with the nomination memorandum. Servicing HCO's may, at their discretion, issue an increase in purchase authority above \$2,500 without proof of Approving Official training on a case by case basis. However, Approving Officials must complete the required training within 6 months of the date the increase is issued.

Cardholders and Approving Officials with single purchase limits above \$2,500 will be required to take refresher training every five years. Refresher training consists of a commercially available Simplified Acquisition Course (minimum of 24 hours). Operating units may require additional or more frequent training to update cardholders and Approving Officials on operating unit procedures, relevant regulatory changes and/or internal policies/procedures of the servicing acquisition office.

B. Nominations and Delegations

1. Nomination of Cardholders

A supervising official or appropriate senior official (e.g., Team Leader, Group Leader, Division Chief, etc.) must nominate prospective cardholders and Approving Officials. Nominations must be forwarded to the servicing HCO with a completed Government Purchase Card Set-up Form (for cardholders) or a Government Approving Official Set-up Form (for Approving Officials). Nominations should also include a copy of the Certificate of Training issued upon successful completion of the GSA web-based training that is required in CAM 1313.301, Section 2.1, Paragraph A.1 (<http://www.fss.gsa.gov/webtraining/trainingdocs/smartpaytraining/index.cfm>). Requests for authority over \$2,500 also require proof of successful completion of a Simplified Acquisition training course.

Officials should only nominate individuals that have demonstrated that they are responsible and possess the required business acumen to be entrusted with a government purchase card. Generally, all cardholders should be current, permanent DoC employees. Temporary and term employees (with an appointment of at least one year's duration) may be issued purchase cards on a case-by-case basis as determined by the servicing HCO.

2. Delegation of Authority

Only HCOs may delegate purchase authority to cardholders in accordance with Department Administrative Order (DAO) 208-2. HCOs may delegate Purchase Card authority to Cardholders by memorandum, such as the sample provided in Attachment F of this CAM Chapter. The single purchase limit for **Procurement**

Cardholders is up to a maximum of \$100,000. The single purchase limit for *Non-Procurement Cardholders* is generally \$2,500 with a monthly billing cycle limit of \$10,000, but may be delegated authority up to \$25,000 if the required training has been completed. *When justified, the HCO may delegate authority up to \$100,000 to Non-Procurement Cardholders*, but use of the card will be limited (for orders between \$25,000 and \$100,000) to orders from required sources of supply (see Attachment C) and payments against established DoC contracts (see Section 3.1(D)).

Cardholders may request temporary or permanent increases in their purchase limits from the HCO (through their Approving Official and APC). HCOs/APCs must notify the CBC each time that a cardholder will be receiving an increase over their established limits. The CBC and APC will maintain a record of each notification. Single purchase limits may not be permanently increased to exceed \$2,500 unless the cardholder and his/her approving official have completed the Simplified Acquisition training required by 1313.301, Section 2.1, Paragraph A.2 above. Temporary increases over \$2,500 must be adequately justified and require review and approval by the servicing HCO.

3. Notification

Once approved, the Purchase Card will be mailed directly to the cardholder at the business address specified in the nomination memorandum. The CBC will notify the HCO/APC when cardholder and Approving Official accounts have been established.

2.2 Maintaining the Purchase Card and Convenience Checks

A. Card and Convenience Checks Security

Proper use and safeguarding of purchase cards and convenience checks is the responsibility of each cardholder. Accordingly, cardholders should take appropriate precautions comparable to those which they would take to secure their personal checks, credit cards or cash.

B. Lost or Stolen Cards or Convenience Checks

If purchase card or convenience checks are lost or stolen, the cardholder must report the lost or stolen cards promptly to Citibank at 1-800-790-7206.

C. Unauthorized Use/Penalties

When using the purchase card or convenience checks, a cardholder must comply with all Federal, Departmental and operating unit prohibitions, controls, limitations and approval requirements. Intentional use of the purchase card or convenience checks by a cardholder for other than official Government business will be considered an attempt to commit fraud against the U.S. Government and will result in immediate cancellation of the employee's purchase card. The cardholder will be subject to disciplinary action under applicable Department and Government-wide administrative procedures, including suspension and/or removal. An employee will be personally liable to the Government for the amount of any unauthorized transaction and may be subject to a fine of not more than \$10,000 or imprisonment for not more than five years, or both, under 18 U.S.C 287.

D. Separation of a Cardholder/Exit Procedures

Cardholders who will be separating from or transferring within their operating unit must notify the APC so that the purchase card account can be closed. The cardholder must complete and forward an account maintenance form to the servicing APC and must destroy the purchase card..

Section 3 – Operational Guidance and Procedures

3.1 Use of the Purchase Card – General

A. For Official Use Only

Operating units are encouraged to use the purchase card for all appropriate transactions. Operating units must ensure that all supplies and services acquired with the purchase card are for official government purposes only, and must establish administrative controls to prevent unauthorized use of the purchase card. Cardholders are required to adhere to the requirements of Federal, Departmental, and operating unit procurement rules and

regulations. The card may be used only for purchases that are authorized by law or regulation. Cardholders must ensure that funds are available prior to placing an order.

B. Purchase Card Applicability

The purchase card may be used for over-the-counter purchases, phone orders, mail/catalog orders and Internet purchases. Cardholders must exercise discretion in selecting internet merchants that are reputable in order to minimize the possibility of fraud. Prior to entering the purchase card number onto an internet website, the cardholder should ensure that the site is secure. To identify whether an internet website supports secure transmissions, the URL identifying the current page will always begin with "https://" in lieu of the normal "http://", and a secure symbol (solid key or closed yellow lock) will be displayed on your internet browser.

C. Required Sources of Supply

Cardholders are required to adhere to the requirements of FAR 8.001, which requires agencies to acquire supplies and services from designated sources if they are capable of providing them. Cardholders must review the required sources of supply in Attachment C prior to placing an order with a commercial vendor. Cardholders should contact their servicing acquisition office if they need assistance in determining whether their requirement can be satisfied by a required source of supply.

D. Use as a Method of Payment.

In accordance with FAR 13.301, the purchase card is authorized for use as a method of payment. Cardholders are encouraged to utilize the purchase card to place orders and to pay for orders against Required Sources of Supply in FAR Part 8 and to place orders and/or make payment under other contractual instruments, when agreed to by the contractor. When orders or payments will be made on a purchase card, DoC contracts must include the clause at FAR 52.232-36, Payment by Third Party, as prescribed by FAR 32.1108 and 32.1110(d). However, payment by a purchase card may also be made under a contract that does not contain the clause to the extent the contractor agrees to accept that method of payment. Cardholders may utilize the purchase card for payments up to their single purchase limit.

3.2 Use of the Purchase Card by Dollar Value of Requirement

A. Use under the Micro-Purchase Threshold

The purchase card is the preferred method of making micro-purchases (\$2,500 or less; \$2,000 or less for construction). In accordance with FAR 13.202 (a)(3), if a cardholder suspects that the proposed price for a micro-purchase is not reasonable, the cardholder should take action to verify the price reasonableness or obtain multiple quotes.

B. Use over the Micro-Purchase Threshold (\$2,500)

In accordance with FAR 13.003, agencies shall use the Government-wide commercial purchase card and electronic purchasing techniques to the maximum extent practicable in conducting simplified acquisitions (acquisitions \$100,000 or less). Orders over \$2,500 placed on the purchase card are subject to the requirements of FAR Part 13, *Simplified Acquisition Procedures*.

1. Use of Small Businesses

All Government purchases over the micro-purchase threshold (currently \$2,500) up to the Simplified Acquisition Threshold (currently \$100,000) are by law reserved for small businesses.¹ This includes purchases made with the purchase card. Any purchase over \$2,500 placed with a large business must be supported with a written justification that a small business could not be located that was able to satisfy the requirements of the purchase. A suggested justification form is included in Attachment B. The justification must describe efforts taken to locate small business sources and must be maintained with the purchase card documentation.

¹ The use of small businesses is not mandatory when utilizing UNICOR, NIB/NISH or FSS.

2. Competition and Reasonableness of Price

In accordance with FAR 13.104, competition must be promoted to the maximum extent practicable.² In accordance with FAR 13.106-3, the cardholder must determine that the proposed price is fair and reasonable before making award. The determination must be written and must contain the information below. A suggested format for the determination is included in Attachment B.

- a. The determination that a proposed price is reasonable should be based on competitive quotations. If only one response is received, or the price variance between multiple responses reflects lack of adequate competition, a statement should be included in the cardholder's file giving the basis of the determination of a fair and reasonable price. The determination may be based on a comparison of the proposed price with prices found reasonable on previous purchases, current price lists, catalogs, advertisements, similar items in a related industry, value analysis, the cardholder's knowledge of the item being purchased or any other reasonable basis.
- b. When other than price related factors are considered in selecting the supplier, the cardholder should document the file to support the selection decision. Cardholders may evaluate quotations or offers based on price alone or price and other factors (e.g., past performance, or quality).
- c. If only one source is solicited, an additional notation must be made to explain the absence of competition (Sole Source Justification).
- d. Simplified documentation practices should be used. For instance, the cardholder should establish and maintain informal records of oral price quotations in order to reflect clearly the propriety of placing the order at the price paid with the supplier. In most cases, this will consist merely of showing the names of the suppliers contacted and the prices and other terms and conditions quoted by each.
- e. Cardholders should retain data supporting purchases using simplified acquisition procedures to the minimum extent and duration necessary for management review purposes (also see Sections 3.5 (D)(2)(a)(1)(x) and 3.5(D)(2)(b)(1)(vi)).

3. Orders with Required Sources of Supply

When an order is placed with a required source of supply (Attachment C), the simplified acquisition procedures of Part 13 and the small business provisions of FAR Part 19 do not apply. Refer to [FAR Part 8](#) for specific requirements regarding order placement.

4. Posting Requirements (over \$10,000)

Requirements expected to exceed \$10,000, but not expected to exceed \$25,000 must be displayed for 10 days prior to award and in accordance with FAR 5.101(a)(2). In accordance with subsection (ii) therein, display is not required when oral solicitations are used.

5. Use between \$25,000 and \$100,000 (Simplified Acquisition Threshold)

- a. The servicing HCO may authorize **Procurement Cardholders** to use the purchase card for purchases and payments up to the Simplified Acquisition Threshold of \$100,000. Proposed contract actions exceeding \$25,000 (including those placed on the purchase card) must be synopsisized in the Commerce Business Daily, in accordance with FAR 5.101(a)(1).

² Orders placed with UNICOR, NIB/NISH or from Mandatory Federal Supply Schedules (FSS) do not require competition or determination of fair and reasonable price. Use of non-mandatory Federal Supply Schedules requires review of at least three FSS contractors, but does not require a fair and reasonable price determination (per FAR 8.404).

- b. The servicing HCO may authorize **Non-Procurement Cardholders** to use the purchase card between \$25,000 and \$100,000, **only for orders from required sources of supply** (see Attachment C). (Note: Prices for supplies/services from required sources of supply are pre-established. Orders against required sources of supply are considered “delivery orders” against existing contracts and are not considered stand-alone purchases or contracts. The purchase card is utilized as a payment mechanism for the order). Non-procurement cardholders may utilize the card for payments up to their single purchase limit.

3.3 Allowable Purchases

The purchase card **may** be used to purchase Commercial Supplies³ and Commercial services³, including but not limited to:

- A. monthly cellular phone airtime, monthly pager service, monthly internet services, etc. as long as the total for each type of service does not exceed \$2,500 in the course of a Fiscal Year⁴;
- B. construction services (including building alterations, painting, installation of carpet, etc), not to exceed \$2,000 in a Fiscal Year.⁴ Exceptions to this fiscal year limit may be granted by the HCO, when justified.
- C. training courses (for individual or group training);
(Note: Some operating units may require training coordinator clearance. Check operating unit guidance prior to placing an order.)
- D. conference registration fees;
(Note: Conference registration fees sometimes include meals or light refreshments. These expenses are allowable to the extent that the meal or refreshment is included in the conference registration fee and is not a separate charge, and the conference is hosted by a non-government organization. (Refer to [Principles of Appropriations Law, Volume I](#), Chapter 4, Section C.5(b)(2) for more information.) For employees on travel status, per diem must be reduced by the value (cost) of the meals provided in the conference registration fee. No deduction is required for light refreshments, per [FTR 301-74.21.](#))
- E. business cards (if allowable under operating unit policies and procedures).
NOTE: Business Cards are required to be ordered via a Mandatory Federal Supply Schedule with NIB/NISH (JWOD).

Any of the above items may be restricted by operating units at their discretion based on established sources of supply for these items or other operating unit requirements.

³ “Commercial supplies” and “commercial services” fall under the definition of “commercial items,” as defined in FAR 2.101. As such, commercial items do **not** include services that are sold based on hourly rates without an established catalog or market price for a specific service performed. All commercial items (products and services) must be obtained on a firm-fixed price basis, per FAR 12.207.

⁴The purchase card is intended to be used for purchases of a non-recurring nature, though recurring purchases in these areas are acceptable within the annual limits specified. Offices with recurring requirements for the same or similar types of supplies or services should contact the servicing acquisition office to explore more cost-effective means of meeting their acquisition needs.

3.4 Restrictions on Use of the Card

A. GSA Government-wide Restrictions

In accordance with the GSA SmartPay contract #GS-23F-98006, Section CC.8, the purchase card **must not** be used for the following:

1. Long-term rental or lease of land or buildings. (*Long-term is generally defined as one year or more*).
2. Travel or travel-related expenses (excluding conference rooms, meeting spaces, and local transportation services (such as Metro Farecards, subway tokens, etc.).
3. Cash advances (emergency exceptions may be granted by the HCO, per the DoC Task Order)

B. Additional DoC Restrictions

The following items **must not** be purchased with the purchase card:

1. Personal convenience items – This includes, but is not limited to coffeepots, refrigerators, microwaves, commuting expenses, parking fees, parking tickets, personal fines, gifts, entertainment, personal membership fees, personal clothing and footwear, decorative items, personal qualification expenses. (These types of personal expenses are prohibited by legislation and/or GAO decisions, some of which are outlined in *Principles of Appropriations Law*, Volume I, Chapter 4 (available at internet site <http://www.gao.gov/special.pubs/vol1.pdf>). Exceptions may be made by the HCO if there is a specific appropriation for the purchase or if, after review of Appropriations Law and/or consultation with the Office of General Counsel, HCO determines that the expense is allowable.
2. Copy paper – Copy paper for the entire department is acquired from the Government Printing Office (GPO) by the DoC Office of Administrative Operations (OAO). For operating units within the Washington D.C. metropolitan area, all copy paper must be obtained through OAO (for Hoover Building) or operating unit Printing Coordinators (at Census, NIST, NOAA, NTIS and PTO).

***Exception:**

Cardholders in operating units outside the Washington, D.C. metropolitan area may utilize the purchase card to purchase paper from regional GPO offices, GSA or GSA Federal Supply Schedules. Cardholders may purchase copy paper from open-market sources if determined to be more cost-effective.

3. Any supplies or services which should be placed on a travel card or fleet card, including the purchase of gas or oil for Department-owned vehicles and repair of Department or leased vehicles.*

***Exceptions:**

On the rare occasion that a vendor will not accept the Fleet Card for fleet-related supplies or services, the cardholder must, **prior to making the purchase**, contact the APC or HCO to explain the circumstances and request approval to place the purchase on the Purchase Card. The APC/HCO will use discretion in allowing these expenses to be placed on the purchase card. Written approval (e-mail) from the HCO/APC must be maintained in the Purchase Card file.

C. Approvals Required Prior to Purchase

Prior to purchase, these supplies or services require a special approval or authorization, as detailed below. The cardholder must maintain approvals in the Purchase Card files. Operating unit guidance on use of the purchase card may contain additional restrictions or approvals. Cardholders and Approving Officials are responsible for ensuring that only authorized purchases are made with the Purchase Card.

| <u>Purchase Requirement</u> | <u>Approval Required from</u> | <u>Reference</u> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Personnel Recruitment Advertisements in newspapers | Personnel Manager | DAO 208-2, Appendix E, 3/12/96 |
| Paid Advertisements in newspapers (other than for recruitment of personnel) | Head of Contracting Activity (HCA) or designee (refer to Operating Unit guidance) | DAO 208-2, Appendix D, 3/12/96 and FAR 5.502(a) |
| Leasing of Motor Vehicles (not associated with official travel) | Head of Contracting Activity (HCA) or designee (refer to Operating Unit guidance) | DAO 208-2, Appendix D, 3/12/96 and FAR 8.1102 |
| Purchases for or including meals, drinks or lodging (other than Conference Registration fees listed under Allowable Purchases) | Head of Contracting Office (HCO) (to determine if purchase is allowable based on appropriations law) | GAO Principles of Appropriations Law Chapter 4, Section C, Subsection 5(b) |
| Printing and Duplicating <u>(exceeding the capacity of an office printer or copy machine)</u> (includes printing, binding, blankwork, composition, platemaking, presswork, binding and micrographics as well as related supplies that are used and equipment that is usable in printing and binding operations) | Operating Unit Printing Coordinator (for Census, NIST, NOAA, PTO and NTIS) All others, contact DoC Office of Administrative Operations Exception: Operating Units outside of the Washington, D.C. metropolitan area may utilize their Regional GPO Printing Office without consulting with their operating unit Printing Coordinator. These OUs must utilize their Regional GPO Printing Office or request a waiver from their regional GPO office, prior to utilizing an open-market source. | FAR 8.802(b) All Government printing must be procured through established Government channels. Refer to Printing Coordinator for specific information. |
| Publication of scientific/research articles in professional journals | Operating Unit Printing Coordinator (for Census, NIST, NOAA, PTO and NTIS) All others, contact DoC Office of Administrative Operations | Per the Office of Administrative Operations |
| Furniture (and all other items offered by UNICOR) | Waiver required from Federal Prison Industries (UNICOR) if furniture is not purchased from them. Obtain waiver from UNICOR website at: http://www.unicor.gov/customer/waiverform.htm | FAR Part 8, Required Sources of Supply |

D. Operating Unit Restrictions

In addition to the Government-wide and Department-wide restrictions specified above, operating units may set further limitations on activities or types of goods and services that may be acquired by cardholders based on

special or operating unit-specific procurement or property reporting requirements and acquisition procedures. Requests for waivers/deviations from any operating unit-specific requirements should be processed in accordance with operating unit policy.

3.5 Use of Convenience Checks

A. Definition and Description

Convenience checks are checks issued against a cardholder's purchase card account and may only be signed by the cardholder whose name is printed on the check. Convenience checks are subject to a 1.25% cash advance fee for each transaction. Payments made with convenience checks and the associated cash advance fees will be posted to the cardholder's Statement of Account along with other purchase card orders. Each convenience check will list the cardholder's single purchase limit on the check, and the check may not be written for more than that amount. Convenience checks may be issued in accordance with the cardholder's single purchase limit or at a lower amount, as indicated in the request, but must not be issued in an amount exceeding the cardholder's single purchase limit.

NOTE: Purchase Card Convenience Checks as defined herein are separate and distinct from convenience checks associated with Imprest Fund replacements, which fall under the purview of the Office of Financial Management (OFM).

B. Policy

Operating units may use convenience checks as a method of payment for transactions only in cases in which the vendor will not accept the VISA purchase card. Aside from considerations of cost, the limitation on the use of convenience checks are necessary because the Department of the Treasury has ruled (at 31 CFR Part 208) that convenience checks (like other checks) are not Electronic Funds Transfer compliant. (31 USC 3332 requires that Electronic Funds Transfer be used to make all contract payments. Exceptions are listed at FAR 32.1103.) **The use of convenience checks is subject to all of the regulations and restrictions of the purchase card specified herein.**

C. Additional Restrictions

Convenience checks shall not be used by individuals to write checks to themselves, or to any other individual or vendor for: (a) cash advance purposes; (b) salary payment or cash awards, or any transaction required to be processed through the payroll system; (c) employee reimbursements; (d) any travel-related tickets or expenditures, including meals, lodging and rental or lease of vehicles; (e) advance payments to vendors; (f) hazardous materials; (g) to pay honorarium/fee to a non-U.S. citizen or permanent resident alien who is not authorized to receive this payment in accordance with the terms and conditions of his or her visa.

D. Requesting Convenience Checks

Because convenience checks are not EFT compliant, are subject to a cash advance fee, and have a greater potential for fraud and abuse, they will be issued on a case-by-case basis and only when adequately justified. Requests for convenience checks must be submitted by an Approving Official to the servicing HCO, and must include adequate justification, showing a demonstrated/anticipated need. The HCO will review the request for validity and submit the request to the Purchase Card Policy Manager in APP for final review and approval. If approved, APP will notify the CBC, who will order the convenience checks and have them delivered to the cardholder. It takes approximately ten days to receive the checks after the order is placed with CBC.

E. Utilizing Convenience Checks

As with purchase card orders, convenience checks may only be written for the exact amount of the purchase. Cardholders must keep a separate Convenience Check Log which includes, at a minimum, the check number, the merchant name, the merchant's Tax Identification Number (TIN), the items purchased, the total dollar amount and the reason why a convenience check was used (see Attachment E for sample log). A copy of the convenience check log should be provided to the servicing finance office with the Statement of Account.

Cardholders must maintain an inventory/log of the checks issued to them and perform an inventory monthly to ensure that no checks are missing. Missing checks must be reported immediately to Citibank at 1-800-790-7206.

F. Review of Convenience Checks

HCOs are required to review 100% of transactions made with convenience checks. Convenience checks will be revoked if misuse is found.

3.6 Procedural Guidance

A. Placing An Order

1. Purchase/Account Assessment

- a. Prior to placing an order, the cardholder must:
 - (1) Review the Required Sources of Supply at FAR 8.001 (Attachment C), prior to placing the order with a commercial vendor.
 - (2) Review the list of restricted purchases and purchases requiring approvals (Section 3.3 herein) to ensure that the purchase is allowable. Obtain any required approvals prior to placing order.
- b. When placing an order, the cardholder must ensure that:
 - (1) The purchase is within the cardholder's single purchase limit;
 - (2) The cardholder is not "splitting requirements" or making a "split purchase."
This is strictly prohibited. A split purchase occurs when a cardholder places two or more separate orders for a supply/service to avoid exceeding the cardholder's single purchase or competition threshold.
 - (3) The purchase will not result in the cardholder exceeding the monthly cycle limit.

2. Merchant Requirements

- a. The cardholder should ensure that the merchant:
 - (1) Provides total charges, including shipping and handling costs, if applicable;
 - (2) Will include a packing slip if the order is shipped;
 - (3) Will include the following on the order's shipping label:
 - (i) Cardholder's name, office billing address and office telephone number; and
 - (ii) The term "Government Purchase Card." **CAUTION: The purchase card account number should not be shown on the label under any circumstances;**
 - (4) Will not bill for the merchandise prior to shipping (except for training and subscriptions);
 - (5) Is aware that all Government purchases are tax-exempt;
(Tax exemption information is available on the GSA internet site at <http://www.gsa.gov/Portal/gsa/ep/channelView.do?pageTypeId=8199&channelPage=%2Fep%2Fchannel%2FgsaOverview.jsp&channeled=13497> or from the CBC. If the proposed tax is \$10.00 or less, ask if the merchant will grant a tax exemption without requiring a tax exemption certificate. If not, call the CBC.)
 - (6) Is a small business (for orders over \$2,500).
- b. Purchase Authorization by Merchant

Merchants are required to obtain authorization from Citibank each time the cardholder uses the Purchase Card. The bank's system will check each purchase limit and the transaction code of the merchant.

3. Rejection of the Card

If the purchase card is rejected, contact the CBC (1-800-782-2233) or Citibank (1-800-790-7206) for

assistance.

B. Record Keeping

1. Purchase Card Ordering Log

The cardholder must maintain a Purchase Card Ordering Log and applicable justifications for all transactions made (purchases, payments, returns or merchandise, credits, etc.). See Attachment D for a sample log. Operating units may modify the log to suit their processes and/or systems. The log may be written or electronic.

2. Cardholder Retention of Transaction Documentation

The cardholder must also retain all original sales slips, shipping receipts, and transaction documentation unless otherwise directed by the operating unit Chief Financial Officer. Sales slips, shipping receipts and all other transaction documentation should be provided to the Approving Official for review during reconciliation of the monthly Statement of Account. However, only the monthly Statement of Account should be forwarded to the finance office for payment. All sales slips, shipping receipts and transaction documentation should be returned to the cardholder to be retained with the Purchase Card Ordering Log for 6.3 years after the end of the Fiscal Year in which the transaction occurred.

C. Receipt of Supplies/Services

1. Receipt and Acceptance

The cardholder must examine all supplies/services to ensure that the order is complete, and that the items are in acceptable condition.

2. Procedures for Incomplete Receipt of Supplies and Services.

a. Partial Deliveries

For partial deliveries, the cardholder must contact the merchant to determine the status on the remainder of the shipment. The cardholder should follow up with the merchant as necessary and make every effort to resolve the partial delivery before contacting the CBC. If the partial delivery then becomes a dispute, contact the CBC for assistance. If delivery of the remaining supplies will take more than 30 days, the cardholder should ask the merchant to credit the account. If the merchant will not credit the account or if negotiations with the merchant are unresolved, the cardholder must complete a "Government Cardholder Dispute Form" (available on the CBC internet site at <http://casc.noaa.gov/bankcard/bankcard.html>) and submit it with any supporting documentation to the CBC.

b. Damaged or Unacceptable Supplies

Cardholders should promptly return any damaged or unacceptable supplies. If the merchant agrees to replace the item and the new item is acceptable, the cardholder should authorize payment on the "Statement of Account" in accordance with normal procedures. If the merchant refuses to replace the item, the cardholder should follow the instructions below.

c. Returning Supplies to Merchant

The cardholder should, whenever possible, obtain a credit voucher from the merchant when returning supplies and attach a copy of the voucher to the "Statement of Account" on which the credit appears. If the merchant is unwilling to issue a credit voucher, the cardholder should note the returned purchase(s) on the "Statement of Account" and attach a postal or shipping receipt indicating that the item was returned. The cardholder should also complete a "Government Cardholder Dispute Form" (available on the CBC internet site at <http://casc.noaa.gov/bankcard/forms.html>) and submit the dispute form and shipping receipt to CBC within 45 days of the date of the invoice.

d. Deliveries to Central Receiving Area

If a merchant delivers supplies to a central receiving area, the cardholder should arrange with the receiving area to inspect the supplies immediately. If someone other than the cardholder signs a delivery receipt for the items purchased, the cardholder must determine when the goods were received and note the receipt and inspection of items on the Purchase Card Ordering Log.

D. Reports and Statement of Account

1. Receipt of Reports and Statement of Account

- a. Citibank provides several account transaction reports at the end of a billing cycle. A "Statement of Account" is sent to the individual cardholder and lists all purchases made in the previous 30 day billing cycle.

The Unit Cycle Statistics TBR0200 lists the billing cycle purchases for all cardholders assigned to an Approving Official. This report is sent to the Approving Officials. Citibank also sends the servicing finance office an invoice which lists all account transactions. The finance office reconciles this invoice with cardholders' statements and initiates payment to Citibank. Another report, the "Detailed Account Cycle - TBR00401", is sent to the servicing acquisition office for management control purposes.

- b. The billing cycle date for DoC cardholders is the 21st of the month. If a "Statement of Account" has not been received by the cardholder within 10 working days after the close of the billing cycle date, the cardholder should contact the CBC, who will fax *or e-mail* a replacement statement to the cardholder.
- c. Purchase card purchases are subject to the "Prompt Payment Act." Cardholders and Approving Officials must ensure that certified and verified statements (or automated equivalent, in accordance with operating unit procedures) are promptly submitted to the finance office in order to avoid any late penalty fees or interest. If a cardholder knows in advance that he/she will be absent and not available to reconcile the "Statement of Account," the cardholder should forward all appropriate documentation (sales receipts, credit vouchers, etc.) to the Approving Official. The Approving Official should reconcile, sign and forward a copy of the statement (or automated equivalent) to the servicing finance office. When the cardholder returns, he/she should sign the original statement and forward it to the servicing finance office and retain the original transaction documentation, unless otherwise directed by the operating unit Chief Financial Officer.

(NOTE: The DoC Office of Financial Management (OFM) has authorized the use of "FastPay" for the payment of Citibank purchase card accounts. Servicing finance offices may pay the invoices prior to receipt of the Statements of Account in order to maximize rebates. Regardless of whether the cardholder's operating unit has instituted FastPay, the cardholder and Approving Official must adhere to the submission guidelines above.)

2. Reconciliation of Account

a. Cardholder Responsibilities

(1) The cardholder must:

- (i) Review all information for accuracy. If Citibank bills a transaction incorrectly, the cardholder should provide an explanation on the "Statement of Account" and fill out a "Government Cardholder Dispute Form" and submit it to the CBC.
- (ii) Report accountable property to the servicing property office in accordance with subsection E below.
- (iii) Describe each item listed on the Purchase Card Ordering Log in enough detail to recognize the item.

- (iv) Attach any mandatory approvals to the statement.
 - (v) Indicate the object class and accounting code for each transaction on the statement. Accounting code is not necessary if the line item uses the default accounting code shown under accounting code on the first page of the statement.
 - (vi) Attach sales slips or shipping receipts to the statement.
 - (vii) Attach a copy of the "Purchase Card Ordering Log" if required by the servicing finance office.
 - (viii) Certify the statement by signing it.
 - (ix) Forward the statement and all attachments to the Approving Official within 5 workdays after receipt (unless waived by the servicing finance office).
 - (x) Upon approval by the Approving Official, retain copies of the Statement of Account and the original transaction documentation (unless otherwise directed by the operating unit Chief Financial Officer) for 6.3 years after the end of the fiscal year in which the transaction occurred.
 - (xi) Make available the Purchase Card Log and original transaction documentation to the Approving Official, HCO, OIG or other interested parties as requested.
- (2) For disputed items:
- (i) When a cardholder disputes or questions transactions with merchants or with Citibank, the cardholder must submit a "Government Cardholder Dispute Form" (available on the CBC internet website at <http://casc.noaa.gov/bankcard/forms.html>) along with supporting documentation to the CBC. A copy of the form and documentation must also be submitted through the Approving Official to the servicing finance office. The CBC will submit the original form to Citibank. This process will allow CBC to expedite disputes with Citibank and with any merchant.
 - (ii) If, after receipt of requested copies of the sales slip, the cardholder still does not recognize the charge, the cardholder must prepare another "Government Cardholder Dispute Form" and resubmit it along with supporting documentation to the CBC.
 - (iii) There is a 60 day time limit on reconciling questioned items. It is important that the cardholder make every effort to follow up on missing or incorrectly billed items immediately.

b. Approving Official Responsibilities:

- (1) The Approving Official must:
- (i) Reconcile the purchases listed on the cardholders' statements with the amounts listed on the "Unit Cycle Statistics" and the "Detailed Account Cycle" reports.
 - (ii) Review cardholders' statements, verifying that all items are necessary Government purchases and comply with all applicable acquisition guidance.
 - (iii) Ensure cardholder has completed/submitted Form CD-509, "Property Transaction Request" (or electronic equivalent) to the appropriate property office in accordance with operating unit procedures.
 - (iv) Resolve any outstanding questions, verify, certify, and sign each cardholder statement.
 - (v) Review and forward original, certified and approved cardholders' statements (or automated equivalent, in accordance with operating unit procedures), with related receipts and forms, to the servicing finance office no later than fifteen (15) days after the cardholder's receipt of the Statement of Account, but no later than the 20th day of each month. This will ensure that payments can be made in a timely manner and will avoid "Prompt Payment Act" penalties. For additional guidance, Approving Officials should refer to Appendix A of the DOC Cash Management Policies and Procedures Handbook.
 - (vi) Return all original transaction documentation to the cardholder to retain with their Purchase Card Log and their official Purchase Card records.
 - (vii) Keep the original of all reports for their file.

E. Reporting Accountable Property

When purchasing any (1) accountable personal property totaling \$5,000 or more (e.g., lab equipment, scientific equipment, etc.), or (2) "sensitive" items regardless of cost (e.g., computer equipment, VCRs, televisions, etc.) as referred to in the "Personal Property Management Manual" or other agency manual, the cardholder must forward a Form CD-509, "Property Transaction Request" (or approved operating unit automated format) to the servicing property office. Approving Officials are responsible for ensuring accountable property is reported on Form CD-509 to the appropriate property office before the Statement of Account is signed. Cardholders and Approving Officials should become familiar with the property accountability thresholds of their operating unit.

F. Forms

The forms mentioned herein are available at the CBC internet site at <http://casc.noaa.gov/bankcard/forms.html>

G. Assistance

All questions regarding Purchase Card policy or procedures should be referred to the cardholder's servicing HCO or APC. Refer all other questions or problems related to the Purchase Card Program to the CBC. The CBC can be reached at (816) 823-3847, from 6:30 AM to 4:30 PM, CST or Hotline, 1-800-782-2233 Monday through Friday or by FAX (816) 823-3850. After hours support is also provided at these numbers.

3.7 Use of Purchase Card for Buying "Green"

The Resource Conservation and Recovery Act, Executive Order (E.O.) 13101, "Greening the Government Through Waste Prevention, Recycling, and Federal Acquisition", and the FAR require buying recycle content products and services for Purchase Card purchases, including those under \$2,500.00. When purchasing products or services, all Purchase Cardholders should strive to make those purchases as environmentally friendly as possible. The aim of buying "green" is to reduce the environmental and human health damages associated with their purchases by increasing their acquisition of recycled and environmentally preferable products and services to the extent feasible, consistent with the following considerations:

1. Price;
2. Performance;
3. Availability;
4. Environmental Safety.

There are many strategies that can be used when purchasing products and services with the idea of buying "green". Regardless of the types of products, buyers should check first to see if they fall under the following categories:

A. Recycled Product Content - Products/services in this category are made from post consumer or recovered material, reduced energy needs, saving landfill space, and eliminating the need to use virgin resources. The Environmental Protection Agency (EPA) designates recycled content products that Government agencies must buy. For products which have been designated by EPA, the Cardholder must purchase those which contain recycled content as long as they are available, meet your performance needs, and are cost-competitive. EPA recommends the required minimum percentage of recycled content that the products should contain (Internet site <http://www.epa.gov/oppt/epp>).

B. Bio-based Products - Products/services in this category are often not made of recycled content, but the material they are made from is renewable, often a biological process by-product, or a domestic agricultural material, including plant, animal and marine materials. One way to think of these kinds of products is that they are "natural" substitutes for products made from many more chemicals and non-renewable resources. Information concerning these products can be obtained from the U.S. Department of Agriculture (Internet site <http://www.ofee.gov>), click on Green Purchasing).

C. Energy Efficient Product - Products/services in this category exhibit the “Energy Star” logo and are designed to conserve energy during their operation. “Energy efficient” also includes energy efficient products in the top 25th percentile of efficiency and standby power devices. The Department of Energy’s Federal Energy Management Program (FEMP) has established a StandBy Power Device Product Listing with information on such products as computers, fax machines, and printers. Refer to www.eren.doe.gov/femp/procurement for efficiency recommendations, cost-effectiveness examples, buyer tips, product sources, and for additional information.

4. Reduced Toxicity or Hazardous Chemicals - Products/services in this category are made with few or even no chemicals that have been shown to cause human and environmental health problems. E.O. 13101 emphasizes the significance of purchasing environmentally preferable (EPP) products. These products can be viable alternatives to products that contain hazardous materials or toxic chemicals. To date, agencies have conducted more than 30 EPP projects that range from renovation of the Pentagon parking lot and building construction to acquisition of janitorial products or services. Refer to www.epa.gov/oppt/epp for summaries of the pilot projects, sample contract language, standards information, product sources, and additional information.

“Green” products are readily available. They can be purchased from the Defense Logistics Agency, General Services Administration, Javits Wagner O’Day sources, Federal Prison Industries, electronic catalogs, Federal Supply Schedules, and commercial open market sources. Web sites are also available to help meet buying “green” requirements. Comprehensive Procurement Guidelines and Recovered Materials Advisory Notices may be accessed at : <http://www.epa.gov/cpg/> . The Office of the Federal Environmental Executive displays product information and fact sheets at: <http://www.ofee.gov> .

Section 4 – Program Review

4.1 Annual Program Review and Report

A. Overview

HCOs are required to review the purchase card program under their purview following the close of each fiscal year to ensure that Cardholders and Approving Officials are adhering to applicable requirements. The primary objectives of the review are to assess:

- 1) compliance with laws and regulations
- 2) efficiency of operations
- 3) adequacy of internal or management controls to help prevent fraud, waste and abuse.

This section provides an overview of the annual review process, introduces forms which may be used in the review, and explains the steps involved in conducting the review. The annual report should be prepared in accordance with CAM 1313.301, Section 4.1, Paragraph B below. (Additional resources available to APCs for review and oversight of their card program are: GSA oversight manual, *Blueprint for Success: Purchase Card Oversight*, (http://www.gsa.gov/Portal/content/pubs_content.jsp?contentOID=121428&contentType=1008) and the President’s Council on Integrity and Efficiency (PCIE) handbook, *A Practical Guide for Reviewing Government Purchase Card Programs*, (<http://www.ignet.gov/pande/iande.html#reports>.)

CAM 1313.301, Section 4.1, Paragraph B establishes a guideline which should be followed by all HCOs in the Department of Commerce. However, the exact means and methods to perform the review are at the discretion of the HCO, based on the tools and resources available. Although on-site visits are encouraged, HCOs may use electronic data and reports of purchases, if the data is sufficient to perform a thorough review. Reviews may be conducted at one time following the fiscal year being reviewed, or conducted periodically throughout the year, with a summary report prepared following the close of the fiscal year.

B. Conducting the Annual Review

An annual review and report is to be performed and completed on a fiscal year basis. HCOs must document their findings in a written report for inclusion in the CBC's annual program report executive summary. The HCOs' report of their findings will be due to the CBC Director and Purchase Card Policy Manager, Commerce Acquisition Performance, Policy and Support (CAPPS) by December 31st of each year. The review must be performed on the previous fiscal year Purchase Card activity.

The HCO may delegate the performance of the review to the Agency Program Coordinator (APC) or another qualified person. However, the HCO remains responsible for ensuring the quality of the data provided and for signing the final Review Certification and Annual Report.

1. Forms

Standardized forms are available to facilitate the annual review process. These forms are intended to be a *guide* for reviews by the HCOs in order to determine effectiveness of the program, ensure compliance and adequate oversight and to detect cardholder misuse/fraud. Because organizations may have additional requirements specific to the organization, these forms are not intended to serve as a template for all HCOs. Sample forms are as follows:

- Purchase Card Annual Review Checklist
- Summary of Findings
- Certification of Completion of Purchase Card Annual Review

Purchase Card Annual Review Checklist (Attachment G):

The Purchase Card Annual Review Checklist is used in the initial review of Cardholder's records to determine compliance with procurement buying policies, regulations and procedures. The APC must complete one checklist for each individual Cardholder reviewed in the random sample selected.

Purchase Card Annual Review Summary of Findings (Attachment H):

This form is used to summarize findings including areas of non-compliance and recommendations for improvements identified in the checklists, Cardholder records or interviews with Purchase Card participants. Best practices and recommendations for improving the Purchase Card program are to be addressed at the end of the Summary of Findings form.

Certification of Completion of Purchase Card Annual Review (Attachment I):

This form consists of a certification that must be dated and signed by the APC & HCO (see 2e) upon completion of the annual review. The annual review package including the certification of completion must be retained in the bureau office for a minimum period of six years, and three months.

2. Steps in Annual Review Process

The following steps are provided for your guidance in conducting the annual review:

- a. Select Random Sample:** Randomly select a sufficient number of Purchase Cardholder records under your established accounts. The number selected must be large enough to provide an adequate sampling of Purchase Card operations. Pertinent information related to the random sample selected must be documented

in the space provided on the annual Review Checklist and the Summary of Findings (for example, the number of accounts selected, the individual Cardholder's single and monthly purchase limits, and total number of Cardholder records reviewed, etc.)

Ensure that your sample adequately represents each strata within your cardholder population. The sample should include a sufficient number of:

- (i) Procurement Purchase Cardholders (1102, 1105/1106 series)
- (ii) Non-procurement Purchase Cardholders with SPL = \$2,500
- (iii) Non-procurement Purchase Cardholders with SPL > \$2,500

Descriptive information about the random sample selected must be documented in the space provided on the the Summary of Findings (for example, the number of accounts selected, the individual Cardholder single and monthly purchase limits, and total number of records reviewed, etc.)

Regardless of the random sample used, all transactions over \$25,000 should be reviewed. In addition, all questionable purchases, regardless of dollar amount, should be reviewed.

b. Conduct Interviews: For on-site visits, conduct short interviews with the Approving Official, Cardholder and budget or finance officer to discuss how the Purchase Card program and related procedures are working. The interviews can be a valuable source of information regarding office procedures and individual concerns or recommendations about the program. Both positive and negative comments should be solicited.

c. Complete the Purchase Card Annual Review Checklist: The Purchase Card Annual Review Checklist (Attachment G) documents the initial review of the Cardholder's records to determine compliance with procurement buying policies, regulations and procedures. The APC must complete a separate checklist for each individual Cardholder whose transactions are included in the Annual review, addressing each specific review criteria contained in the Checklist. Most of the checklist questions can be answered by review of records. However, a few entries must be researched by personal observation, such as purchase card security.

d. Complete Summary of Findings: After completing all Review Checklists and interviews, the HCO or APC will complete the Summary of Findings (Attachment H). This form documents areas of non-compliance identified in the checklists, cardholder records, and interviews and makes recommendations for improvements and enhancements. The HCO or APC must summarize any areas of concern or problems found during any aspect of the review and discuss what steps have been taken to correct them. Specific examples should be cited whenever possible. Only findings related to areas of non-compliance need to be summarized by the HCO or APC unless addressing best practices, recommendations, or comments.

The HCO or APC may also use the Summary of Findings to discuss issues not addressed on the checklists, such as whether the card provider and the merchants are providing acceptable customer service. Best practices are to be documented on the last page of the Summary of Findings. Any best practices or recommendations provided will be used to improve the Purchase Card program.

e. Complete Certification of Completion: The Certification of Completion is dated and signed by the HCO and APC upon completion of the annual review. Reviews may be conducted at one time following the fiscal year being reviewed, or conducted periodically throughout the year. The annual review package including the certification of completion must be retained in the bureau office for a minimum period of six years, and three months.

C. Contents of Annual Report

The Annual Review documentation such as the Cardholder Checklist and Summary of Findings can contribute information to the annual report. However, the report should not be limited to the information provided in these checklists. It should also include:

1. Warrant. A section in the report should be dedicated to the requirements of CAM 1301.6, *Acquisition Career Management Program and Contracting Officer Warrant Program*, to ensure that Purchase Card Warrant requirements are met. This includes tracking cardholder training and ensuring that warrant records are properly maintained.

2. Statistical Information. For example:

- Total number of cardholders with purchase card authority versus how many of these individuals were reviewed.
- Total number of purchases reviewed versus how many purchases were made.
- Total dollar value of purchases.
- Percentage increase (decrease) in number of purchases.

3. Explanation of Review Methodology. Describe whether electronic or on-site reviews were conducted, the timing of the reviews, the population size and corresponding sample size, selection of purchases to review, how inventory control was reviewed, etc.

4. Prevention of Fraud

a. The report should have a specific section dedicated to the prevention of fraud or card abuse (guidance for prevention of fraud or card abuse is outlined in the Government Accounting Office (GAO) draft audit guide number GAO-03-678G, *Auditing and Investigating the Internal Control of Government Purchase Card Programs*, available at internet site <http://www.gpoaccess.gov/gaoreports/index.html>). First, this section should delineate any possible fraud detected (such as improper purchases, altered and/or counterfeit cards, possible identity thefts, etc.) and what measures were taken. In addition, this section should address such items as cards never received, lost cards, etc. Finally, this section should delineate what is being done to promote inventory control to ensure that all items being ordered were actually delivered and used by the Government (reference DOC Personal Property Management Manual as well as bureau/organization specific supplemental guidance on accountable property.)

b. Items to keep in mind when reviewing transactions:

- Card misuse and cases of fraud often start small and may not stop after only one action. No matter how small the misuse or fraud, it should be addressed immediately to prevent any future occurrences.
- The card must only be used by the cardholder. If the cardholder is not directly involved in the transaction, there is greater risk that fraud will be committed.
- Cardholders should be able to provide documentation of purchases, (ie. Invoices, receipts, etc.) when requested by the approving official, A/OPC or auditors.
- Cardholders need to establish an inventory control system to ensure that property is properly accounted for.

c. The annual report should further indicate what “tools” are being used to detect fraud. For example,:

- how are account activity reports being used,
- are declined authorizations being investigated,
- are disputes with vendors being studied,
- is there any unusual spending, are merchant category code blocks being satisfactory employed, etc., and exploring,
- whether Data Mining techniques are applied in evaluating an organization’s overall internal

controls of their card program.

5. Findings and Recommendations

The Purchase Card Review Checklists should be utilized as a guide.

6. Future Program Plans

To remedy problems, plan for expansion, operating unit restrictions, training, exploring data mining software/techniques, etc.

7. General Recommendations

For improving the Purchase Card Program Department-wide.

D. Retention of Files

Copies of the annual review package and any supporting information must be retained by the reviewing office for a minimum period of six years and three months.

E. Office of Acquisition Management Reviews

The Office of Acquisition Management (OAM) may perform additional reviews (including on-site reviews), as necessary.

4.2 Annual Commerce BankCard Center Program Report

The Director of the CBC is required to review the Department's purchase card program annually following the close of each fiscal year and prepare a "State of the Purchase Card Program" report. Generally, the report should summarize the growth of the program, and pertinent changes made during the year, problems experienced, program innovations and improvements and recommendations for improvement in the following year. The report should summarize the state of the entire program, including acquisition issues.

Specific suggestions for the report include:

- Comparison of usage patterns across DOC operating units (i.e., number of cardholders, number of purchases, total dollar value, use by cardholders, etc.);
- Summary findings based on findings based on annual HCO reviews and recommendations for improvement;
- Comparison of DOC usage rates with other agencies (e.g., the GSA report may be a good document for comparison);
- Use of rebate programs DOC-wide and by operating unit, identifying areas for improvement;
- Performance of card provider (including any contract/task order requirements which they have not met);
- Status of the card provider's electronic access system, including training and use at operating units; Use of other programs and systems at operating units for managing purchase card programs;
- Status of plans to move toward the Smart Pay Integrated Card;
- Identification of businesses receiving the most business from DOC and whether DOC has (or should have) any contractual relationships/negotiated price discounts with them;

- Description and status of pilot programs and recommendations for expansion, continuance, etc.

The report may include information from the HCO annual fiscal year reports (due December 31st each year). The report must be submitted to the Office of Acquisition Management by March 1st of each year, with copies to the HCOS.

4.3 Primary References:

- A. Federal Acquisition Regulation (FAR) Parts 3, 8, 13, and 32 (Internet site <http://www.arnet.gov/far/>)
- B. General Services Administration (GSA) Government-wide Commercial Credit Card Service Master Contract (Internet site <http://fss.gsa.gov/services/gsa-smartpay/contracts.cfm> , Citibank Contract No. GS-23F-98006)
- C. DOC Cash Management Policies and Procedures Handbook (Internet site <http://www.osec.doc.gov/ofm/cash/cover.htm>)
- D. GAO principles of Appropriation Law (Internet site <http://www.gao.gov/special.pubs/voll.pdf>)
- E. DOC Personal Property Manual
- F. Departmental Administrative Order (DAO 208-2, *Contracting Authority*)
- G. Departmental Administrative Order (DAO 202-751, *Discipline and Adverse Action*)
- H. GSA Smart Pay Web-based Training (Internet site <http://www.fss.gsa.gov/webtraining/trainingdocs/smartpaytraining/index.cfm>)
- H. GSA manual, *Blueprint for Success: Purchase Card Oversight*, (Internet site http://www.gsa.gov/Portal/content/pubs_content.jsp?contentOID=121428&contentType=1008)
- I. PCIE handbook, A Practical Guide for Reviewing Government Purchase Card Programs (Internet site <http://www.ignet.gov/pande/iande.html#report>)
- J. Government Accounting Office (GAO) draft audit guide number GAO-03-678G, *Auditing and Investigating the Internal Control of Government Purchase Card Programs*, (Internet site <http://www.gpoaccess.gov/gaoreports/index.html>)

RESERVED

Documentation for Order over \$2,500

I. DETERMINATION OF FAIR AND REASONABLE PRICE (Required on Purchases over \$2,500)

A. Cardholder: _____ (Name) _____ (Signature)

B. Requirement: _____

C. Competition/Quotes solicited:

| Vendor/Merchant | Small Business?* | Date Solicited | Price Quoted | Selected for Award? (Check One) |
|-----------------|-----------------------------------------------------------------------------------------------|----------------|--------------|---------------------------------|
| | <small>Reminder: Orders over \$2,500 are automatically set-aside for small businesses</small> | | | |
| | | | | |
| | | | | |

*If award will be made to a large business, complete Justification for use of Large Business below. (See CAM 1313.301, Section 3.1C)

D. Price is determined to be fair and reasonable based on: (Check one)

| | |
|-------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| _____ | <p>Competitive Quotes (Multiple quotes solicited; multiple quotes received)(Check one below)</p> <p>_____ Lowest quote was selected.</p> <p>_____ Other than low price was selected. Per FAR 13.106-3, you must support the award decision if other than price-related factors were considered in selecting the supplier.</p> <p>_____</p> <p>_____</p> |
| _____ | <p>Multiple quotes were solicited. Only one quote was received.</p> <p>Per FAR 13.106-3, the price is determined to be fair and reasonable based on:</p> <p>(NOTE: All selections require further explanation below).</p> <p>_____ Market Research;</p> <p>_____ Comparison of proposed price with prices found reasonable on previous purchases;</p> <p>_____ Current price lists, catalogs, or advertisements. (However, inclusion of a price in a price list, catalog, or advertisement does not, in and of itself, establish fairness and reasonableness of the price);</p> <p>_____ A comparison with similar items in a related industry;</p> <p>_____ The cardholder's personal knowledge of the item being purchased;</p> <p>_____ Comparison to an independent Government estimate;</p> <p>_____ Other reasonable basis</p> <p>EXPLAIN: _____</p> <p>_____</p> <p>_____</p> |
| _____ | <p>Only one quote was solicited.</p> <p>Per FAR 13.106-3(b)(3), you must explain the absence of competition: _____</p> <p>_____</p> <p>_____</p> |

II. JUSTIFICATION FOR PURCHASE/ORDER FROM OTHER THAN SMALL BUSINESS

(Required if purchase/order over \$2,500 was placed with other than a small business, per FAR 19.502-2)

The purchase/order was made from other than a small business for the following reason: (check one)

- _____ The order was from a "required source of supply" which is not a small business.
- _____ The order was against a pre-established DoC contract which is not a small business. The purchase card is being used to make payment.
- _____ Subscription/Publication (must be purchased from the publisher, which is a large business).
- _____ The item is proprietary in nature and could only be provided by one source, which was a large business. (Describe item and attach a sole source justification).
- _____ An effort was made to contact small businesses, but a small business could not be located. (Describe efforts.)
- _____ Other. Explain below.

Cardholders are required to adhere to the requirements of FAR 8.001, which requires agencies to acquire supplies and services from designated sources if they are capable of providing them. Cardholders must review the required sources of supply below prior to placing an order with a commercial vendor. Cardholders should contact their acquisition office if they need assistance in determining whether their requirement can be satisfied by a required source of supply.

(1) Supplies

FAR 8.001 requires agencies to acquire supplies from the following sources which are listed in descending order of priority. This order of priority applies to all purchases, including those made via the Purchase Card.

- (a) Agency inventories (e.g., excess property)
- (b) Excess property from other agencies
- (c) Federal Prison Industries, Inc. (UNICOR")
General website: <http://www.unicor.gov>
Listing of Products: <http://www.unicor.gov/unicor/sched2.html>
- (d) Committee for Purchase from the Persons Who are Blind or Severely Disabled (NIB/NISH/JWOD)
General information: <http://www.jwod.gov>
Listing of Products: <http://www.jwod.gov/suplist.htm>
- (e) Wholesale supply sources such as stock programs of GSA, the Defense Logistics Agency or the Department of Veterans Affairs
General Information on GSA stock program:
<http://www.gsa.gov/regions/7fss/7fx/contracting/stock/explanation.html>
Note: All the promotional products and current prices in GSA's Customer Supply Center program can be viewed ordered on GSA Advantage at
<https://www.fss.gsa.gov/cgi-bin/advwel>
- (f) Mandatory Federal Supply Schedules (FSS)
Mandatory Schedules: <http://pub.fss.gsa.gov/schedules/sched-nm.cfm>
Note: GSA has converted most of its mandatory schedules to non-mandatory. As of the effective date of this chapter, only three schedules remain mandatory. Refer to website above for current listings.
- (g) Optional use Federal Supply Schedules
Listing of Schedules & Products: <http://pub.fss.gsa.gov/schedules/>
(click on Schedules E-Library, then Schedules List)

NOTE: GSA operates an electronic ordering system, [GSA ADVANTAGE](https://www.fss.gsa.gov/cgi-bin/advwel) (<https://www.fss.gsa.gov/cgi-bin/advwel>), which simplifies the ordering from GSA sources and Federal Supply Schedules ((e) through (g) above). While GSA Advantage does contain some items manufactured by UNICOR or NIB/NISH/JWOD, the GSA site reminds cardholders to check those two supply sources prior to placing an order on GSA Advantage.

FAR 8.001 requires agencies to acquire services from the following sources which are listed in descending order of priority. This order of priority applies to all purchases, including those made via the Purchase Card.

- (a) Services available from Committee for Purchase from the Persons Who are Blind or Severely Disabled (NIB/NISH)

General information: <http://www.jwod.gov>

Listing of Products: <http://www.jwod.gov/suplist.htm>

- (b) Mandatory Federal Supply Schedules

Mandatory Schedules: <http://pub.fss.gsa.gov/schedules/sched-nm.cfm>

Note: GSA has converted most of its mandatory schedules to non-mandatory. As of the effective date of this chapter, only three schedules remain mandatory. Refer to website above for current listings.

- (c) Optional use Federal Supply Schedules

Listing of Schedules & Products: <http://pub.fss.gsa.gov/schedules/>

(click on Schedules E-Library, then Schedules List)

NOTE: GSA operates an electronic ordering system, [GSA ADVANTAGE](https://www.fss.gsa.gov/cgi-bin/advwel) (<https://www.fss.gsa.gov/cgi-bin/advwel>), which simplifies the ordering from GSA sources and Federal Supply Schedules ((e) through (g) above). While GSA Advantage does contain some items manufactured by UNICOR or NIB/NISH/JWOD, the GSA site reminds cardholders to check those two supply sources prior to placing an order on GSA Advantage.

- (d) Federal Prison Industries, Inc. ("UNICOR") (encouraged, but not required, per FAR 8.602(b)(2)).

Use the following format as an example to create your log.

| PURCHASE CARD ORDERING LOG | | | | | | | | | |
|----------------------------|--------------|---------------|-------------|---------------|-----------------|----------------|-----------------------------------------------------|--------------|-------------------|
| Name | | | Office | | | FY | | | |
| Log No. | Date Ordered | Date Received | Description | Merchant Name | Accounting Code | Order Total \$ | Cumulative order Totals for Cycle (NTE Cycle Limit) | Object Class | Property I.D. No. |
| | | | | | | | | | |
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I certify that I have purchased the above supplies or services in accordance with the DoC Purchase card Procedures. I certify that, to the best of my knowledge and belief, all of my statements are true, correct, complete, and made in good faith and subject to Title 18 U.S. Code, Section 1001.

Cardholder's Signature _____

Date _____

| CONVENIENCE CHECK LOG | | | | | | | | | | | | |
|-----------------------|------------------------------------|--------------------|----------------------------------|-------------------------------------|---------------|-------------------------------------------------|-----------------|----------------|-----------------------------------------------------|--------------|-------------------|--|
| Name | | | | Office | | | | FY | | | | |
| Check Number | Reason for Using Convenience Check | Date Check Written | Date Supplies/ Services Received | Description of Supplies or Services | Merchant Name | Merchant's Taxpayer Identification Number (TIN) | Accounting Code | Order Total \$ | Cumulative order Totals for Cycle (NTE Cycle Limit) | Object Class | Property I.D. No. | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
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I certify that I have purchased the above supplies or services in accordance with the DoC Purchase card Procedures. I certify that, to the best of my knowledge and belief, all of my statements are true, correct, complete, and made in good faith and subject to Title 18 U.S. Code, Section 1001.

Cardholder's Signature _____ Date _____

Sample Purchase Card Delegation of Authority Memorandum

MEMORANDUM FOR: [Insert Name], Cardholder
FROM: [Insert Name], Head of Contracting Office
SUBJECT: Delegation of Purchase Card Authority

You are hereby appointed as a Cardholder under the Department of Commerce's Purchase Card Program. Under this appointment, you are hereby delegated authority to use the Government Purchase Card at the limits established below:

Single Purchase Limit: [Insert SPL amount]

Monthly Purchase Limit: [Insert MPL amount]

[Note: HCOs may further restrict the delegation to specific categories if they wish (e.g. GSA FSS, BPA...)]

Your Delegation of Purchase Card purchase authority is governed by the Commerce Acquisition Manual (CAM) 1313.301, *Department of Commerce Purchase Card Procedures*. This delegation is effective upon receipt of the required training in accordance with Section 2.1.A(1) of CAM 1313.301, and your Purchase Card. Your Statement of Account with supporting documentation will be reviewed by your Approving Official on a monthly basis. The Approving Official who will review and approve all purchases made under this delegation is:

[Insert Name], Approving Official

With this Delegation you assume a unique role as the Government's authorized agent to obligate Government funds. Your role as the cardholder is to use the purchase card to buy goods and services for Government use. You hold the primary responsibility for the proper use of the purchase card. This is a substantial responsibility that must be exercised with fairness, reasonableness and good business judgment. The fact that your office has requested this authority for you is a clear statement of the trust that the Department of Commerce has placed in you.

Your responsibilities as a Cardholder are to:

1. Read and follow the Commerce Acquisition Manual (CAM) 1313.301, *Department of Commerce Purchase Card Procedures*.
2. Complete the GSA Purchase Card web-based training.
3. Secure the Card.
4. Maintain a purchase log.
5. Use the card only to make informed buys of approved goods and services.
6. Ensure availability of funds before purchase.

7. Ensure that the total amount of the transaction, including packaging, shipping, etc., does not exceed the single purchase limit or the amount of funds available for the transaction.
8. Reconcile and document transactions.
9. Use the card ethically.

You are the Government's legal agent for each purchase made with the purchase card. You are legally responsible and accountable for each transaction. You must comply with all applicable regulations and procedures set forth in CAM 1313.301.

This delegation of purchasing authority is limited and is not subject to re-delegation by you. The delegation may be terminated at any time by written notice from the Agency Program Coordinator, the Head of Contracting Office, the Director, Office of Acquisition Management, or by the Office of the Procurement Executive.

CARDHOLDER (Typed Name): _____

RECEIPT ACKNOWLEDGED (Signature): _____

DATE: _____

[Your signature indicates that you have read, understand and agree to comply with your Cardholder role and responsibilities. Please sign and return the original to the Agency/Organization Program Coordinator for your procurement office. Retain one copy for your file and provide one copy to the Approving Official.]

ANNUAL REVIEW CHECKLIST

Cardholder Name _____ Date of Review _____
 AO Name _____ Period Covered _____
 Onsite or _____
 Electronic _____
 Review _____

| No. | Specific Review Criteria | | | |
|---------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|-----|
| | | Yes | No | N/A |
| A. Card Usage Requirements: Used to determine proper use of Card by Cardholder | | | | |
| 1 | Has any other individual other than the Cardholder used his or her card? | | | |
| 2 | Have any purchases exceeded the Cardholder's single purchase limit (SPL)? The Cardholder's SPL is _____. | | | |
| 3 | Has the Cardholder split requirements to stay under his/her single purchase limit (SPL)? (Look for repeated orders during a short time period for the same goods or services). | | | |
| 4 | Did the Cardholder check Required Sources of Supplies or Services prior to ordering on the open market (i.e. Agency Inventories or Excess Property, FPI or UNICOR, NIB/NISH or JWOD, GSA Supply Programs, Federal Supply Schedules)? | | | |
| 5 | Were all purchases made by the Cardholder for official Government business only? | | | |
| 6 | Was the Purchase Card used to purchase any of the following? | | | |
| | a. Rental or lease of land or building | | | |
| | b. Travel or travel-related expenses, including gas or oil for Department owned or leased vehicles. | | | |
| | c. Cash Advances. | | | |
| | d. Personal/Convenience Items. | | | |
| | e. Are printing requirements being satisfied within regulations. | | | |
| | f. Personnel recruitment, paid newspaper advertisement, leasing of motor vehicles, meals at conferences, printing and duplicating/publication of scientific/research articles in professional journals, and furniture. | | | |
| | | | | |

Attachment G

| | | | | |
|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|--|
| 7 | Did the Cardholder use the card for repetitive buys to the same vendor for the same product or service? If an item is not available through requirement sources of supply, did cardholder use different vendors as frequently as possible? (Except subscriptions, cell phones, utilities, etc.). | | | |
| 8 | Did the Cardholder pay any U.S. State taxes and if so, how much? (Examine receipts to verify if any taxes are included). | | | |
| 9 | Are all required personal property items, purchased by the Cardholder properly tracked in the accountable property records (see DOC Personal Property Management Manual)? | | | |

B. Actual Card Activity: Used to determine extent of card usage by Cardholder.

| | | | | | |
|------------|-----------------------------------------------------------------------------------------------|---------------------------------|-----------|------------|------------|
| 1 | What level of activity has the Cardholder had on his/her card over past 6 months?* | No Usage | Low Usage | Med Usage | High Usage |
| | *Cards with no activity for a 6 month period should be considered for cancellation. | | | | |
| 2 | What level of activity has the Cardholder had on his/her card over past 12 months?* | No Usage | Low Usage | Med Usage | High Usage |
| | *Cards with no activity during a 12 month period should be cancelled unless otherwise needed. | | | | |
| No. | Specific Review Criteria | Specific Review Criteria | | | |
| | | Yes | No | N/A | |

C. Cardholder Documentation Requirements: Used to determine if purchases are supported by proper fiscal and purchase documentation.

| | | | | |
|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|--|
| 1 | Are purchases supported by proper fiscal documentation? For example, Cardholders must ensure the funds are available. | | | |
| 2 | Is the Cardholder's monthly Statement of Account supported by proper purchase documentation including: | | | |
| | a. A valid receipt and/or cash register tape supporting the purchase. If these are not available, a statement indicating why a receipt and/or cash register tape are not available (i.e. telephone orders, electronic transactions). | | | |
| | b. Proof of delivery or completion of performance. | | | |
| | c. A corresponding description on each line item and supporting documentation. | | | |
| 3. | Did the Cardholder enter the purchases in the Purchase Card Buying Log each time the card was used (Ensure that the Cardholder is not constructing the log from the monthly Purchase Card statement i.e. note if purchases on the log and on the statement are in identical order). | | | |

Attachment G

| | | | | |
|---|----------------------------------------------------------------------------------------------------------------------------|--|--|--|
| 4 | Does the Cardholder have a copy of their Certificate of Completion on file for their GSA Purchase Card web-based training? | | | |
| | | | | |

D. Security Requirements: Used to determine if cards and related information are being properly safeguarded.

| | | | | |
|---|-----------------------------------------------------------------------------------------------------------------------------------|--|--|--|
| 1 | Is the Cardholder's Purchase Card kept adequately secured? For example, is the card kept locked up in the office when not in use? | | | |
|---|-----------------------------------------------------------------------------------------------------------------------------------|--|--|--|

| No. | Specific Review Criteria | Specific Review Criteria | | |
|-----|--------------------------|--------------------------|----|-----|
| | | Yes | No | N/A |

E. Statement Review & Approval Requirements: Used to determine if statements are being reviewed and approved in a timely manner.

| | | | | |
|---|------------------------------------------------------------------------------------------------------------------------------------|--|--|--|
| 1 | Does the Cardholder reconcile his/her statement within 20 days of the statement date, which is the 21 st of each month? | | | |
| 2 | Are Cardholder records being retained for a minimum period of 6 years, 3 months from date of final payment? | | | |
| | | | | |

F. Requirements for Purchases over \$2,500: Used to determine proper use of card for transactions exceeding \$2,500 per purchase.

| | | | | |
|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|--|
| 1 | Is there evidence of competition, and supporting documentation for transactions exceeding \$2,500? If competition was not obtained, is there a valid sole source justification in the file? | | | |
| 2 | Have domestic purchases exceeding \$2,500 per transaction been set-aside for small businesses? If not set-aside, is there a valid justification in the file? | | | |
| 3 | In the absence of competition, were prices determined by the Cardholder to be fair and reasonable (if applicable)? | | | |
| 4 | Do individual Procurements over \$25,000 comply with all applicable FAR requirements? | | | |

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|----------------------------|
| Summary of Findings |
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|----------------------------------------------------|
| B. Findings Related to Actual Card Activity |
|----------------------------------------------------|

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C. Findings to Cardholder Documentation Requirements

Summary of Findings

D. Findings Related Related to Security Requirements

E. Findings related to Statement Review & Approval Requirements

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Summary of Findings

F. Findings Related to Requirements for Purchases Exceeding \$2,500

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Summary of Findings

Additional Findings, Comments, Recommendations or Best Practices (Continued)

CERTIFICATION OF COMPLETION OF PURCHASE CARD

The certification below must be completed by the Agency Program Coordinator and retained in the file with the Purchase Card Annual Review Checklist (Attachment A) and the Summary of Findings (Attachment B) for a minimum period of 6 years, 3 months.

Reviewer (Agency Program Coordinator, Print Name)

Reviewer (Signature)

Reviewer (Head of Contracting Office, Print Name)

Reviewer (Signature)

Reviewer Bureau

Date Review Completed